

BEFORE THE DEPARTMENT OF ADMINISTRATION  
OF THE STATE OF MONTANA

In the matter of the proposed ) NOTICE OF PUBLIC HEARING  
adoption of NEW RULE I pertaining ) ON PROPOSED ADOPTION  
to retention of credit union records )

TO: All Concerned Persons

1. On August 17, 2006, at 10:30 a.m., a public hearing will be held in Room 342 of the Park Avenue Building, 301 S. Park, Helena, Montana, to consider the proposed adoption of the above-stated rule.

2. The Department of Administration, Division of Banking and Financial Institutions, will make reasonable accommodations for persons with disabilities who need an alternative accessible format of this notice. If you require an accommodation, contact the Division of Banking and Financial Institutions no later than 5:00 p.m. on August 11, 2006, to advise us of the nature of the accommodation that you need. Please contact Christopher Romano, Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546; telephone (406) 841-2928; TDD (406) 444-1421; facsimile (406) 841-2930; e-mail to [cromano@mt.gov](mailto:cromano@mt.gov).

3. The proposed new rule provides as follows:

NEW RULE I RETENTION OF CREDIT UNION RECORDS (1) The schedule Credit Union Records Publication Appendix "A" establishes the minimum period for retention of credit union records. Credit Union Records Publication Appendix "A" is maintained by the Commissioner of Banking and Financial Institutions, and may be updated at regular intervals not more than once a year by the commissioner. The July 27, 2006, edition of the Credit Union Records Publication Appendix "A" is incorporated by reference as part of this rule. A copy of this document can be obtained from the Division of Banking and Financial Institutions, Department of Administration, 301 South Park, P.O. Box 200546, Helena, MT 59620-0546.

(2) When a bank microfilms, photographs, uses other electronic or computer-generated data records in the regular course of business, the retention period of the microfilm, photographs, electronic, or computer-generated data must be the same as specified in the Credit Union Records Publication Appendix "A".

(3) Credit unions must comply with all federal laws and regulations requiring specific retention periods for the records enumerated in those laws or regulations. In the event that a federal law or regulation conflicts with a retention period contained in Credit Union Records Publication Appendix "A", a credit union must comply with whichever retention period is longer. Credit unions must comply with other applicable state laws governing retention of personnel records, corporation records, etc.

(4) If a credit union does not maintain records set forth in Credit Union Records Publication Appendix "A", but maintains similar records with equivalent information, the credit union's records must be retained for the time specified within Credit Union Records Publication Appendix "A" as to the equivalent records.

(5) Records not covered by this rule are to be retained for a period of time determined appropriate by the credit union's board of directors. Such retention periods determined appropriate shall be noted as a permanent part of the board's minutes.

AUTH: 32-3-201, MCA

IMP: 32-3-204, MCA

REASON: Section 32-3-204, MCA, allows the department to adopt rules which establish how a credit union must maintain its records. New Rule I is needed to clarify the guidelines for retaining records. This new rule sets forth specific retention periods in Credit Union Records Publication Appendix "A". In addition, New Rule I also sets forth standards when there are differences in the credit union retention periods specified in Appendix "A" and federal law, when there are similar records to what is found in Appendix "A", and when Appendix "A" does not address certain records maintained by credit unions. The division does not anticipate any financial impact from the proposed rules. There are currently 12 state-chartered credit unions in Montana.

4. Concerned persons may present their data, views, or arguments, either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted to Mark Prichard, Legal Counsel, Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546; faxed to the office at (406) 841-2930; or e-mailed to [maprichard@mt.gov](mailto:maprichard@mt.gov), and must be received no later than August 28, 2006.

5. Mark Prichard, Legal Counsel, Division of Banking and Financial Institutions, has been designated to preside over and conduct the hearing.

6. An electronic copy of this Notice of Proposed Adoption is available through the department's site on the World Wide Web at <http://www.banking.mt.gov>, under "Administrative Rule Notices." The department strives to make the electronic copy of this notice conform to the official version of the notice as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. In addition, although the department strives to keep its website accessible at all times, concerned persons should be aware that the website may be unavailable during some periods, due to system maintenance or technical problems, and that a person's technical difficulties in accessing or posting to the e-mail address do not excuse late submission of comments.

7. The Division of Banking and Financial Institutions maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this division. Persons who wish to have their name added to the mailing list shall make a written request which includes the name and mailing address of the person to receive notices and specifies that the person wishes to receive notices regarding division rulemaking actions. Such written requests may be mailed or delivered to Christopher Romano, Division of Banking and Financial Institutions, 301 S. Park, Ste. 316, P.O. Box 200546, Helena, Montana 59620-0546; faxed to the office at (406) 841-2930; e-mailed to [cromano@mt.gov](mailto:cromano@mt.gov); or may be made by completing a request form at any rules hearing held by the Division of Banking and Financial Institutions.

8. The bill sponsor notice requirements of 2-4-302, MCA, do not apply.

BY: /s/ Janet R. Kelly  
Janet R. Kelly, Director  
Department of Administration

BY: /s/ Dal Smilie  
Dal Smilie, Rule Reviewer  
Department of Administration

Certified to the Secretary of State July 17, 2006.